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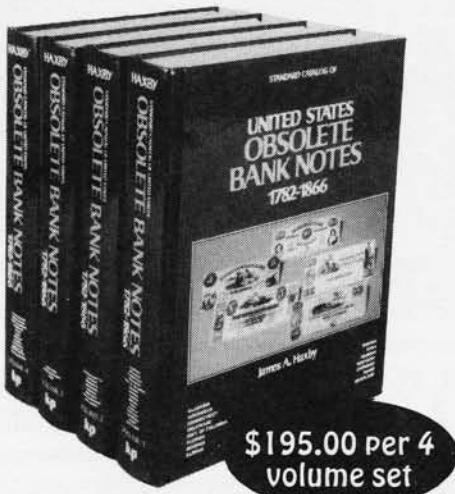
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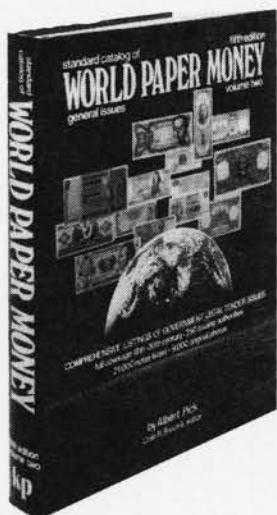
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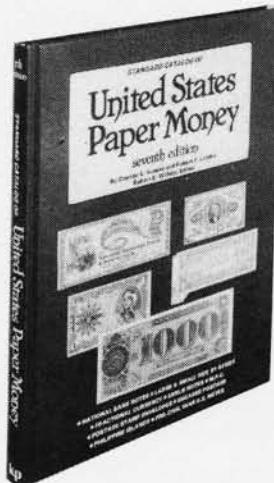
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PAPER MONEY

Official Bimonthly Publication of
The Society of Paper Money Collectors, Inc.

Vol. XXVIII No. 4 Whole No. 142 JULY / AUG. 1989

ISSN 0031-1162

GENE HESSLER, *Editor*
P.O. Box 8147
St. Louis, MO 63156

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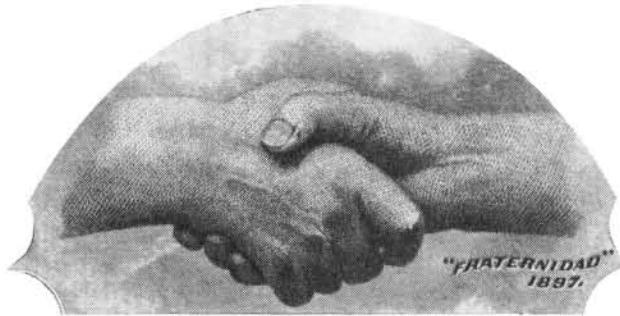
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The Kościuszko Insurrection and the earliest Polish Bank Notes of 1794

by DR. ANDREJ MIKOŁAJCZYK



Clasped Hands, engraved by G.F.C. Smillie, symbolizes the friendship shared by the people of Poland and the United States, a friendship that has endured over two centuries.

(Dr. Mikołajczyk is the Director of the Museum of Archaeology and Ethnography in Łódź, Poland. He also serves as editor of the museum's Journal, PRACE I MATERIAŁY.)

GENERAL TADEUSZ KOŚCIUSZKO is much better known in America as one of the Poles who joined the war for independence of the United States of America than the politician who, after his return home, served in the Polish army as a major general, and then, as the commander-in-chief of the national insurrection, introduced paper money in Poland. T. Kościuszko, skilled military engineer who held the rank of colonel, arrived in America in the autumn of 1775 and soon distinguished himself in the service, especially when fortifying Saratoga where General Burgoyne had to surrender British troops to American General H. Gates on October 17, 1777. T. Kościuszko, who received the rank of brigadier-general, was not the only Polish officer engaged in the American War of Independence. General Kazimierz Pulaski commanding the Pulaski Legion (including Polish captains, Balderski, Kotkowski, Litowski, Rogowski, and Lieutenant Jerzmanowski) distinguished himself as a cavalry officer in the Battle of Savannah in late 1778; one year later he died in action.

K. Pulaski's military career began in the late 1760s when Poland, ruled by the newly elected King Stanisław August Poniatowski (1764-1795), had no other way to escape from the political and economic stagnation than to instigate decisive reforms.

The monetary reform of 1766 introduced a new coinage standard to the nation and withdrew debased money, both domestic and foreign, from circulation. In the reformed coinage the traditional unit, the Polish złoty (zlp), remained, but its previous division into 30 groszy (gr) was applied only to copper coins while the silver was now equal to 4 gr. The conventional mint-foot was chosen and the talers contained 23,9812 g of fine silver. The following silver denominations were introduced: 8 gr.

(2 zlp), 4 gr. (1 zlp), 2 gr. (1/2 zlp) and 1 gr.; and in copper 3 gr. (trojak), 1 gr. (grosz), 1/2 gr. and shilling (szelag). In 1787 the silver coins were slightly reduced and the billon 10 gr. piece was added, and gold ducats were coined. The Warsaw Mint, established in 1765, took over most of the mint-output for the Crown. Two municipal mints in Gdańsk and Toruń operated only in the 1760s.

Returning to the reforms one should say that the new trends didn't enjoy popularity among the conservative politicians and rich magnates who began to seek support from Poland's hostile neighbors, primarily Russia, who willingly and frequently interfered in Polish national affairs. Thus on February 29, 1768, in the small Podolian town, Bar, the confederation was established for the defense of Poland's freedom and independence, with a strong anti-Russian sentiment, and then—as the King represented a very passive attitude toward the Russians—an anti-Poniatowski direction. One of the Bar confederate commanders was K. Pulaski. In response, the Russian army entered Poland to begin a long series of struggles with the confederates. In 1771 the last confederates' positions in Poland were liquidated by the Russian invaders. Many of the captured confederates were imprisoned in Siberia. Others, like K. Pulaski, were compelled to leave Poland.

A separate uprising of Hetman¹ Ogiński in the Great Duchy of Lithuania was suppressed by the Russian army under General Aleksandr W. Suworow. Moreover the Russian Czarina, Catherine II, persuaded Prussia and Austria to conquer some provinces of Poland, and on August 5, 1772, the first partition of Poland was signed in Petersburg, the capital of the Russian Empire. Catherine II warned the Polish King of further attempts at reforms in Poland during the meeting in Kaniów.

Nevertheless, the reform movement in Poland was strong enough to lead to the so-called Four-Years-Diet (October 6, 1788 to May 29, 1792). The most important result of the Diet sessions was the Constitution that was finalized on May 3, 1791, expressing the democratic and progressive political and economic trends in the reconstruction of domestic affairs in Poland. The reaction was immediate: the home adversaries of democracy and the Constitution settled down in Petersburg, and in Targowica (a small locality in the eastern corner of Poland) officially proclaimed the confederation on May 14, asking Catherine II for military intervention. The Russians moved in four days later and—despite the brave efforts of a much smaller Polish army commanded by the King's nephew Prince Józef Poniatowski in the Zieleniec battle and by General T. Kościuszko in the Dubienka battle—proceeded as far as Warsaw. The next political step was the second partition of Poland sealed by Russia and Prussia on January 23, 1793. A small part of the country remained in Polish hands with the strong position of the pro-Russian renegades supported by Russian bayonets. The King joined the Targowica Confederation, which name became

synonymous with national treason. General T. Kosciuszko left Poland, but returned the following year.

In such circumstances the insurrection broke out in Poland. The starting point was Kosciuszko's oath taken on March 24, 1794, in the Cracow market square. He appealed for national defense, and called all citizens of the Cracow voivodship² to take up arms. On April 4 the Polish army, supported by the peasant volunteers, under the command of T. Kosciuszko, defeated the Russians in the Battle of Raclawice. Two weeks later Warsaw was liberated from the Russians, and the next week the Polish insurgents liberated Wilno, capital of the Great Duchy of Lithuania, from Russian occupation. In early May a manifesto was proclaimed in Polaniec abolishing the personal serfdom of the peasants; in Warsaw the uprising broke out against the home followers of Russia and some of them were sentenced to death and executed. On May 10 T. Kosciuszko called the Supreme National Council (*Rada Najwyższa Narodowa*) into being, which constituted itself on May 28. Unfortunately the situation worsened in June when the Poles were defeated near Szczekociny (Little Poland) by the Russian army and the Prussian troops who had seized Cracow in the middle of the month.



1 złoty, PA10

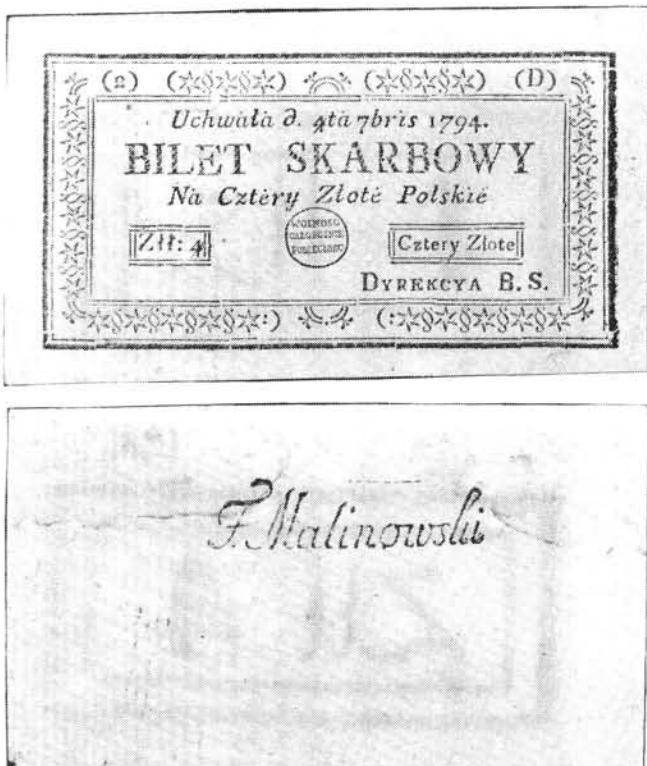
In such complicated conditions, on June 8 the Supreme National Council proclaimed the edict concerning the issues of the treasury notes amounting to 60 million złp, covered by the national domains. It was the emergency issue as Poland was in the state of emergency. It is necessary to add that in 1794 the next change of the mint-foot³ took place reducing the fineness of talers, silver 8 and 4 gr. and billon 10 and 6 gr. Other denominations were not continued. The new edict contained some explanations of such decision: "...the will of immediate liberation of our Fatherland from alien violence...in order to support the holy nation's uprising...". The notes, equal to the circulating currency, were intended to be withdrawn later by selling national properties and realizing a minimum of ten million złp one year after the issue and every following year under similar conditions. Five percent interest was also promised for both Polish citizens and foreigners. Under this edict it was obligatory that these notes be accepted. Anyone who refused the notes would be fined ten percent of the value for the first offense, 20 percent in the second instance and the entire amount for the third offense. Until the end of the war only 50 percent of taxes were allowed to be paid in notes, the other half in coins. The death penalty and confiscation of property were the penalties for forgery. A trea-



10 groszy, PA9



500 złoty, PA6. All denominations, 5–1,000, had the same design.



4 złoty, PA11

sury note board was established. In late June the board bought 200 reams of Dutch paper and the Warsaw printers P. Dufour and M. Groll were engaged. In August the notes were ready in the denominations as follows:

5 złp	58,500 notes equal to	292,500 złp
10 złp	46,500	465,000 złp
25 złp	35,500	875,000 złp
50 złp	36,000	1,800,000 złp
100 złp	19,300	1,930,000 złp
500 złp	500	250,000 złp
1,000 złp	1,000	1,000,000 złp

The entire issue of treasury notes, dated June 8 and released on August 16, amounted to about 6.6 million złp. The restricted number of 500 and 1,000 złp notes make them very rare in numismatic collections today. The entire set, including the unique specimen of the proof 1,000 złp note and the uncut sheets of other denominations, is now in the possession of the Numismatic Department of the Archaeological and Ethnographical Museum in Łódź. Every note bears, at the bottom, the hand-signed signatures of two (5 to 50 złp) or three (100 to 1,000 złp) treasury commissars. In the upper part of the notes the Polish Eagle and Lithuanian Rider as well as the revolutionary symbols (a Phrygian cap crowning crossed arms that break the chain of captivity) are displayed. The center of the notes is filled with text. The watermarks are the initials B-S (*Bilet Skarbowy* - Treasury Note). The round seal, without color impressed next to the initials presents the inscription *Wolność - Całosc - Niepodległość* (Liberty - Integrity - Independence). The backs are blank. Each denomination was printed on paper in different colors: 5 złp - pink or (rarely) light cream, 10 złp - white, 25 złp - cream or orange-yellow, 50 złp - red-brown or light brown, 100 złp - light pink or pink, 500 złp - light pink, 1,000 złp - light yellow. The unique proof 1,000 złp note is light pink.

In addition, on August 13 T. Kościuszko ordered the additional issue of small change denominations for the purpose of trade: 5, 10, 20 gr. and 1 złp, limiting the amount of the new paper money to 6 million złp. The entire authorized amount was not issued; notes released equaled about 274 thousand złp. The 1 złp notes were released on September 27, the 5 gr. notes on October 10 and finally the 10 gr. notes on October 20. All of them were printed on white, thick paper; on the backs were printed signatures of the treasury note commissar.

The next edict of the Supreme National Council was proclaimed on September 4. It concerned the issue of the treasury notes in two, new denominations: 2 and 4 złp, totaling 8 million złp. On September 27 of this amount only the 4 złp notes amounting to 3,962,920 złp were released. They were printed on white, thick paper.

The total of all treasury notes released was equal to 10,874,187 złp against the planned sum of 74 million złp. The nature of this emergency issue of paper money did not create sufficient confidence among the people who were obliged to accept it.

In fact, the notes circulated mostly in Warsaw. The political and military events in autumn did not lead to the acceptance of the currency innovations of the Supreme National Council. The short, temporary siege of Warsaw in early September was a result of Prussian army advances. The uprising in the Great Poland* forced the Prussians to withdraw their troops from the outskirts of Warsaw. From the opposite direction the Russian army was on the move in order to crush the Polish resistance. On September 12 Wilno surrendered and fell into Russian hands. One month later, on October 10, the Russians defeated T. Kościuszko in a desperate battle near Maciejowice, southeast of Warsaw. General T. Kościuszko himself fell into Russian hands. General Tomasz Wawrzecki, designated by the Supreme National Council as the commander-in-chief of the insurrection, repelled the enemy's attacks for an entire month. However, on November 4 the Russian army under General A.W. Suworow seized Praga—a portion of Warsaw on the right bank of the Vistula river. Five days later the entire city of Warsaw was in Suworow's hands. A.W. Suworow, a very respected hero in the Soviet Union today, cast a bloody strain on his reputation by ordering the slaughter of the Praga population. This massacre was an epilogue to the long years of foreign supremacy and repression in Poland. The last Polish troops were defeated on November 17 in the Battle of Radoszyce. In 1795 Poland was finally partitioned by her neighbors. Russia seized the eastern territories (463,200 km²), Austria received the southern area (138,900 km²) and Prussia the western regions including Warsaw (141,400 km²). Imprisoned T. Kościuszko was sent to Russia. Catherine's successor, Czar Paul, released him in 1796, but T. Kościuszko never returned to his conquered Poland; he spent the rest of his life in exile in Switzerland.

The third partition of Poland brought an end to the treasury notes; they were withdrawn from circulation on May 22, 1795, by Buxhoeveden, the general gouverneur in Warsaw. The notes introduced during the Kościuszko Insurrection were nothing but a short episode in the monetary history of Poland prior to her partitioning. The idea of paper money was proposed in Poland even earlier during the reign of Stanisław August Poniatowski, but neither the people nor the authorities had confidence in this kind of currency. As far as we know, only in the estate of one magnate in Bialaczów (near Opoczno in Kielce district) belonging to the Stanisław Nalecz, the marshall of the Four-Year-Diet,

(Continued on page 126)

Trading in the Enemy's Currency

by EVERETT K. COOPER

THE NEED to acquire and spend the paper money of an enemy during war time has always been practiced by the adversaries in the hostilities. The most obvious needs are the cloak-and-dagger operations that take place in the enemy's territory. This was certainly true during the period of the American Civil War where travel and communication into enemy territory was easily and routinely accomplished. Obviously the covert Confederate agent crossing into Maryland or Ohio could not pay for his travel and other expenses with a paper currency that carried the likeness of Jefferson Davis. The Northern agent traveling into Dixie perhaps found the Southerners more willing to accept the Yankee greenback, but it could arouse unnecessary suspicions.

A passing itinerant preacher gave the merchants 5¢ on the dollar for their accumulations. They were pleased to redeem the rebel paper at any exchange rate, and the minister took it back to Virginia and invested it in real estate at a profit. The circulation of Yankee greenbacks in the Southern economy, however, was an accepted fact. The Confederate army would utilize captured Yankee weapons and uniforms, so it was not abnormal to utilize Yankee money in the fragile Southern economy. The Union army invading the Confederacy would in one case forbid the circulation of Confederate money because it represented a *de facto* recognition of the rebel government. On March 29, 1863 the United States Military Department of the Cumberland, at Murfreesboro, Tennessee, issued their General Orders No. 63 which read:

It has been ascertained that persons in this department are dealing in Confederate scrip, thus giving aid and comfort to the rebellion, by making its worthless paper an article of traffic. Any officer, soldier, camp follower, or citizen, within the limits of this department, who shall hereafter buy or sell Confederate currency or its counterfeits³ will be arrested and punished.⁴



U.S. \$1 greenback dated August 1, 1862.

The history of the Civil War is replete with examples of these efforts by both sides to trade in the enemy's currency whether greenbacks or bluebacks. A survey of some of these incidents provides an interesting perspective in the use of paper money during the trying days of 1861-65.

On September 27, 1862 a Confederate cavalry brigade commander, operating in the border state of Kentucky, sent a request to "Send me \$300 in United States or Kentucky money to use in secret service."¹

The movement of military units, agents, and informers in and through the bluegrass state would have made this a normal and probably oft-made request.

The public circulation of the enemy's paper money was never a practice or a problem in the Northern states. The minor exception was on those occasions when Confederate soldiers went shopping during an invasion of the loyal states. The Southern soldiers were disciplined to pay for any purchases from Yankee merchants but payment could be in Southern money.² An unusual example is the storekeepers of Chambersburg, Pennsylvania who had a surge of customers during the 1863 invasion of Pennsylvania. After the Confederates withdrew from Gettysburg back to Virginia, the Chambersburg merchant's cash drawers were full of Southern money. They were in despair as to how they could convert it into currency that circulated locally.

Sometimes using the enemy's currency would help to bring home the bacon and catch the culprits selling that commodity. On April 18, 1863 Union Brigadier-General E. A. Paine wrote from Gallatin, Tennessee of a Yankee plot to catch some gullible Johnny Rebs:

One of my scouts, who is a good detective, engaged [bought] two or three tons of bacon this week for the Southern army, the bacon to be delivered at certain points near the river. He is to pay 30 cents [per pound] in Confederate money. I shall send him back with some of that money, to make small payments, and have the bacon delivered at certain points, where I intend to seize it. The sellers are violent rebels.⁵

How did the adversaries acquire the paper money of their opponent? Surprisingly neither government made an effort to counterfeit their enemy's paper currency as a means of economic warfare. During the Revolutionary War the British government had counterfeits made of continental currency of the embryo United States. Most large-scale wars after the Civil War resorted to using counterfeits as a tactic. The souvenir facsimiles of Southern currency produced by Mr. Upham of Philadelphia was a private enterprise. During the Civil War each side acquired the enemy's paper money by a variety of means, but on September 21, 1863 the Yankees reported a large acquisition, by unspecified means. The following was communicated to the United States Secretary of War:

I have just received intelligence of the capture . . . of three rebel officers and a number of privates, \$2,200,000 in Confederate funds, and very important rebel dispatches, all of which are now at Cairo [Illinois].

The Secretary of War made an immediate response to this report by requesting the captured Confederate money be immediately sent to Washington.⁶

Organized military raids by the Confederates during the war would on occasion add to the supply of enemy currency held by the Richmond government. In August 1862 renowned Confederate cavalry leader General J.E.B. Stuart made a spectacular raid on the Union army near Warrenton, Virginia. At Catlett's Station the Confederates captured the headquarters of Union General John Pope's Army of Virginia. In his report prepared after the action, General Stuart stated that the capture included "public property to a fabulous amount." He was more specific later in the report to indicate that the capture included "money-chests." The memoir of a participant in the raid recalled more precisely that they had captured \$500,000 in greenbacks and \$20,000 in gold and that the funds were locked in solid iron safes, which were very difficult to open.⁷

Confederates operating out of Canada in October 1864 conducted a raid on the banks of St. Albans, Vermont near the Canadian border. The raiders carried away approximately \$208,000 in greenbacks and banknotes from St. Albans. The net proceeds of this raid were used to fund the operations of the Confederate commission in Canada.

Another well-known incident occurred on June 8, 1864 during a Confederate raid into Kentucky under the leadership of General John H. Morgan. When the raiders were in Mount Sterling, Kentucky several of the Southern soldiers looted the local branch of Farmers Bank of Kentucky of \$60,000. The death of General Morgan a few months later, before he wrote his report of the action, left unanswered the legitimacy of the bank looting.⁸

Confederate \$1 issue
dated Feb. 17, 1864.
Clement Claiborne was
a CSA Senator from
Huntsville, Alabama
(see PAPER MONEY
No. 139, p. 11).

The Confederate Congress, somewhat late in the war, saw the need to restrict the public use of Yankee money in the Southern economy. On February 6, 1864 Congress passed "An ACT to prohibit dealing in the paper currency of the enemy." The essence of the legislation was:

no broker, banker or dealer in exchange, or person concerned in trade as a merchant, or vendor of merchandise of any description, or any other person, except within the lines of the enemy, shall buy, sell, take, circulate, or in any manner trade in any paper currency of the United States; Provided, That the purchase of postage stamps shall not be considered a violation of this act.

That this act shall not be construed to apply to any person acting in behalf of the Government of the Confederate States, by special authority from the President, or any heads of departments.⁹

General Robert E. Lee was concerned, according to a communication dated February 15, 1864, about escalating requests for funds by a between-the-lines agent named Langley.¹⁰ General Lee wrote:

When last here he was paid \$200 in Northern funds and \$500 in Southern, for current expenses. It was before Christmas. Recently he has written to General Hill for \$1,000 of the first and \$1,500 of the latter. He professed not to want pay for services, but only enough to defray his expenses. Before I can make arrangements with him I must know more about him.¹¹

Illicit trade in cotton and supplies was difficult to control particularly in the western Confederacy along navigable waters. Confederate Major-General Richard Taylor wrote from Alexandria, Louisiana on February 21, 1864, apparently unaware of the action of Congress on February 6th, that:

The rage for cotton speculation has reached all classes of the people. Foreigners of every hue and of all religions are swarming over the land, and Confederate currency near the lines has ceased to have even a nominal value. I have ordered all persons coming within our lines arrested and sent here under guard, with their letters, papers, and all money other than gold or Confederate currency. Unless the most stringent measures are adopted we shall soon have Federal currency—national or bank—the common currency of the country to the entire exclusion of Confederate paper.¹²

The United States War Department, without specifying the reason, issued an order on March 8, 1864 requiring all Confederate money in the hands of the army or government agents to be turned in:



General Orders No. 89

All Confederate bills, notes, or bonds in the hands of officers or agents of the Government will be transmitted to the Adjutant-General of the Army, with a specified statement of how and from whom they were received. If captured, the circumstances of the capture will be stated; and if any portion has been expended, the amount and mode of expenditure will be given. Commanding officers of departments, armies in the field, independent posts, regiments, and companies are charged with the execution of this order.¹³

Lieutenant-colonel John S. Mosby, the famed Confederate partisan cavalry leader, showed his resourcefulness in a letter dated March 26, 1864. Mosby has a need for some U.S. currency but instead of requesting greenbacks he requested Confederate currency:

I would be glad if you would furnish me with \$2,000 secret-service money, as with my present opportunities I could use it greatly to the public advantage. In the event of getting it, I propose investing it in tobacco, and then converting it into greenbacks. This could be done without much loss in the differences of currency.¹⁴

A few months later, on October 14, 1864, Colonel Mosby made a substantial acquisition of Yankee money, but it was distributed to individuals and not the government coffers. Near Kearneysville, West Virginia Mosby's command stopped a westbound Baltimore & Ohio Railroad passenger train. Unexpectedly their catch yielded two U.S. Army officers carrying payroll of about \$168,000 in greenbacks. In accord with regulations the money did not go to Richmond but was divided among the members of Mosby's command; except Mosby declined a share. History has dubbed this incident as "Mosby's Greenback Raid."¹⁵

To facilitate the purchasing of food supplies for the Confederate Army, which at times in border areas required the use of Federal currency, the following order was issued on June 8, 1864:

*War Department, Confederate States of America
Richmond, Virginia*

The Commissary General is authorized to purchase the paper currency of the United States for the use of his office as occasion may require.¹⁶

However, Secretary of War Seddon had to modify the order of June 8th with new instructions on October 20, 1864:

*War Department, Confederate States of America
Richmond, Virginia*

I find that some inconvenience results from the competition of several bureaus of this Department in the purchase of Federal currency, and in consequence I desire that all such purchases be made through one agent. I am informed that Captain Morfit, assistant quartermaster, from his position is required to buy large amounts of that currency, and to avoid the evils resulting from competition it is deemed judicious that all bureaus shall employ him as their agent in procuring the Federal currency necessary to their operations.¹⁷

Two days later, October 22, 1864, the Confederate War Department issued the formal guidelines to be followed in making such purchases of Federal currency:

Special Orders No. 251

The Quartermaster-General will designate an officer of his department who shall be charged with the purchase of all currency of the United States which may be needed for the purpose of the Government. In making purchases of currency said officer shall conform to the rate of exchange which shall be established from time to time by the Quartermaster-General. The currency thus purchased shall be issued only on the order of the Quartermaster-General, which shall prescribe the terms on which it shall be issued. It being expedient that there shall be but one purchaser of this currency, the wants of the other departments of the Government will, as far as practicable, be supplied under the foregoing regulations.¹⁸

Captain Clarence Morfit, who was assigned the responsibility of purchasing Federal currency, was serving as an assistant quartermaster for prisoner of war camps and was located in

Richmond. It had been a responsibility of his to serve as custodian of the funds belonging to prisoners of war. Any Federal currency owned by Union prisoners, either when captured or subsequently sent to them, was held in trust for them by the Confederate quartermaster. If the prisoner requested small amounts for personal use he could authorize the conversion of any Federal money in his account to be converted to Confederate currency. The conversion was handled by Captain Morfit at the highest market exchange rates obtainable. If the prisoner did not request any withdrawal of his funds the Federal currency in his account was left intact. A strict accounting of these funds was maintained and any unconverted greenbacks remained in Captain Morfit's strong-box and were not utilized by the Confederate government.¹⁹ When the prisoner was released any remaining funds were returned to him.

The most bizarre episode recorded involving prisoner of war funds involved Colonel Abel D. Streight of the 51st Indiana. Streight led a raid of infantrymen mounted on mules into Alabama from April 11 to May 3, 1863. He was soon relentlessly pursued by Confederate cavalry under the command of General Nathan B. Forrest. Streight and his command were captured in Alabama on May 3rd. When captured, Colonel Streight had in his personal possession approximately \$3,444, which he claimed to be personal funds. The money consisted of \$2,512 in U.S. Treasury notes, which included \$1,152 in greenbacks, and \$932 in Southern bank bills. This raised a potent issue. If the funds were his personal money they would not be subject to seizure by the Confederate government, but it raised the question as to why he was carrying such a large amount on a risky invasion raid. If the funds were U.S. government money then the Confederates could seize them as legitimate spoils of war. Colonel Streight indicated that when the raid started from Nashville he purchased \$5,000 in Southern banknotes to make purchases during the raid. Any such purchases were repaid in brand new, never circulated U.S. greenbacks. This was his explanation for having personal money that consisted of brand new \$1 greenbacks in original wrappers. The records do not indicate if the repayment in U.S. funds was at a discount or at face value. "After capture his surgeons sold their mules to Confederate quartermasters for about \$800 or more in Confederate money. Of this amount Colonel Streight purchased from his surgeons about \$825 (Confederate) paying them 20 cents on the dollar in Federal money." Then General Forrest had taken a package of \$851 in Federal treasury notes—all \$1 notes—except one \$5 bill from the quartermaster of Colonel Streight. For this package Colonel Streight gave General Forrest \$851 in Confederate money, the exchange being made dollar for dollar.²⁰ These money exchanges with the surgeons and the Confederate general netted Colonel Streight a profit of \$640 in Yankee money! After much investigation the Confederates ruled it was "proper to regard all the funds, except \$800, as money belonging to the United States Government, and therefore liable to confiscation."²¹ Ironically, Colonel Streight, along with 108 other Union officers, made a daring escape from Libby Prison in Richmond on February 9, 1864. He probably left behind any unspent residue of that \$800.

Almost three years after the first major land battle of the Civil War, the battle of First Bull Run or First Manassas, the Lincoln administration was still wrestling with the ideological concept of not acknowledging the existence of the Confederacy. On June 15, 1864 Secretary of State William H. Seward wrote to Secretary of War Edwin M. Stanton:

After reflecting upon the suggestion of Lieutenant-General Grant in regard to the use of spurious currency, called by the insurgents Confederate currency, I have come to the conclusion that no responsible representative of the Government could give circulation to that money, as an equivalent for value received, without compromising the Government of the United States, and laying the foundation for allegations that we anticipate and expect ultimately to recognize the insurgents.²²

In early July 1864 the irascible Confederate General Jubal A. Early invaded Maryland and carried the war to the outskirts of Washington. In the process he added \$220,000 of Northern currency to the Confederacy's coffers. This was from ransoms collected from Frederick and Hagerstown, Maryland. Less than a week later, on July 15, 1864, General Early issued the following order:

*Headquarters Valley District
General Orders No. -*

All officers of this army who have drawn pay in Federal currency will immediately refund the same to the quartermaster from whom it was drawn.²³

Why officers had been paid in U.S. currency is not known. Perhaps, the availability of Federal currency from the Frederick and Hagerstown ransoms and the opportunity to purchase goods induced a sudden payday. General Early retreated from Washington and crossed back into Virginia on July 4th. The next day, when they were outside of enemy lines, he issued this order to be in compliance with the Act of February 6, 1864.

Some Yankee prisoners of war held by the Confederates were, as late as January 25, 1865, encouraged to exchange their greenbacks for Confederate bluebacks. The exchanged greenbacks were then used for some apparent clandestine purpose in the United States.

Headquarters C.S. Military Prisons East of the Mississippi Columbia, S.C.

You will convert greenbacks to the amount of \$200 for the immediate use of the prisoners with their consent, and let Lieut. James Ormond have it for the use of our people in the United States.²⁴

Undoubtedly the ever-widening siege lines around Petersburg, Virginia made it easier for Union agents to routinely penetrate and travel to Richmond. On February 4, 1865 General U.S. Grant wrote to Secretary of War Stanton:

Two or three times each week scouts are sent from here [Petersburg area] into Richmond. The only funds the provost-marshall has for defraying their expenses is U.S. currency. These funds naturally would attract suspicion, and have therefore to be converted for their use. If, therefore, you have any rebel currency, I would respectfully request that from \$20,000 to \$50,000 to be sent to Colonel George H Sharpe, assistant provost-marshall-general, at City Point [Virginia].²⁵

With the war almost over Lieutenant-General Nathan B. Forrest issued this circular from Gainesville, Alabama on April 19, 1865 to the men in his command.

Division and brigade commanders will notify their commands that there is a surplus of Federal money in this department arising from the sales of Government cotton. Being now cut off from Richmond, it may not be possible to pay the command in currency. As there are many soldiers who have families inside the Federal lines where such money is serviceable, it is offered to the entire command at the same rate at which it was received for cotton, yet it

is not obligatory upon any to receive it, being altogether a matter of choice. Should soldiers determine to accept this money, they will receive pay to 28th of February ultimo at the ratio of \$1 in Federal currency for \$15 of Confederate currency, the rate at which the cotton was sold.²⁶

If the men of Forrest's command were as wise as they were good fighters this was an offer that no one could refuse. For in little over a month their Confederate currency would, to quote the first line in the well known *Confederate Note Poem*, "Representing nothing on God's earth now."

The capture of Columbia, South Carolina, February 17, 1865 stopped the presses that were printing the Confederacy's paper money. Apparently quantities of printed currency not yet numbered and signed for release were taken in the capture and possibly some was added to the collection in Washington. The appearance of unsigned and unnumbered individual notes and sheets of the February 17, 1864 issue in today's collector's market attests to the looting done by individual Union soldiers while in Columbia.

When Richmond was hastily evacuated on April 2, 1865, massive amounts of records and paper currency were left behind. The records and possibly much of the currency were scooped up by the Federals and sent to Washington for examination and storage. Thus, at the end of the war, the Federal government was holding a large accumulation of the currency of their vanquished enemy. That accumulation remains intact today in the National Archives, except for what was given to public institutions in 1912.²⁷

(Continued on page 129)





The Green Goods Game

Conducted by
Forrest Daniel

ROUND UP OF GREEN GOODS MEN

New York, Aug. 21.—What is said to be the biggest roundup of green goods swindlers ever made by the federal authorities in this city, was announced today. Five men and a woman were taken into custody and an entire green goods plant was captured. Four of the prisoners, Joseph R. Baker, Elmer Brown, S. Gottlieb and the latter's wife were arrested in Newark and George Brown and Thomas Henry were arrested in this city.

According to Postoffice Inspector Michael Boyle, he has secured as complainant against the prisoners Antonio Capresso (?), a butcher of New Haven, Conn., who paid \$300 in cash and received green paper in return.—*Daily Republican and Leader*, La Crosse, Wis., Aug. 21, 1902.

Looking Closely At Portraits of Dom Pedro II

by GENE HESSLER

IF THE CLIENT of a banknote company requests that a portrait already used on one of their notes should face the opposite direction on another note, the solution is simple; reverse the original photograph. This might work in some instances, but it will not prove acceptable in most. We shall take a look at one such example.

The first use of a portrait of Dom Pedro II (1825-1891), Emperor of Brazil (1831-1889) can be seen on the 10 mil reis (PA204). This and other notes in this series were printed by Perkins, Bacon & Petch. There is a portrait of the youthful emperor on the 50 mil reis (PA224). On the 1 mil reis (PA228) a maturing Dom Pedro II faces to his right; on the 200 mil reis (PA235) he faces to his left. These notes were printed by Perkins, Bacon & Co.

500 Reis

The 500 reis (PA242) was printed by the American Bank Note Company. The portrait on this note shows the image of the forty-nine year old Dom Pedro with his large, bushy beard that had turned gray prematurely. A series of notes that followed displayed a younger portrait; this, too, was printed by the American Bank Note Company. The series consisted of 1, 2, 50 and 10 mil reis notes (PA244-246 & 252); the portrait on these notes was engraved by James Bannister. The portrait that served as a model for the next group of notes is the one that concerns us most.



500 reis, PA242.



Unissued 20 mil reis similar to PA244-246 & 252.

Brazil Sends Photo

More often than not, the client provides a portrait for the banknote company that engraves and prints the notes. In this instance the Government of Brazil (probably) sent a photograph of Dom Pedro II, facing to his right, to the American Bank Note Company. The first use of this photograph as a model appeared on the 100 mil reis note (PA247); it was issued about 1877. The designer of this and the notes that follow was Thomas F. Morris. This same portrait was the model for at least five other banknotes: (PA248, 249, 254, 255, 260 & 263). All others (PA242, 250, 251, 253, 256, 258, 259, 261, 262 and 264; and P138, 146, 153, 162, 170 and 180) have the subject facing to his left. Some of these notes were issued with overprints; they are illustrated in PICK Vol. 1.

Bank Note Portrait Reversed

The portrait of Dom Pedro II facing right reveals that he parted his hair on the left. This is verified by the profiles of the emperor on the coins of Brazil. Both left and right profiles corroborate this fact. When the banknote portrait was reversed, the hair was parted on the opposite side; an observation that few might not care about or even notice. However, on this same portrait, the coat is buttoned right over left, the antithesis of the way males have buttons arranged on their clothing.



This is the correct portrait with the lapel overlapping to the right, PA247.



Correct



Although portions, including the beard, have been retouched, this portrait shows the lapel overlapping incorrectly to the left, PA249.



Reversed

When preparation was made for the original engraved portrait, the photograph of Dom Pedro II was reduced to the exact size needed. The engraver, Charles Burt, with the aid of a steel point, traced the outline and general details of the portrait onto transparent cellulose. The next step was to completely fill the lines with a fine black or red powder. The side of the cellulose with the powder was carefully placed on a piece of steel that had already been coated with etching ground and wax. With a burrisher, the engraver forced the powder into the wax surface. When the cellulose was peeled away, the outline of Dom Pedro II remained, in reverse, on the wax. The engraver, again with the aid of a steel point, then made the first attack on the plate. After acid was applied to bite into the area where the dots had been made, a variety of burins and gravers were selected to cut lines of different widths, some shallow, some deep. For the two or three weeks that followed, Charles Burt applied a talent that few have mastered.

To prepare the same portrait—facing the other way—for engraving, the above process is repeated; however, the original photographic print must be printed backward, or incorrectly.

The portrait of Dom Pedro II facing to his right was engraved by Charles Burt. The portrait with the coat buttoned incorrectly is the work of engraver Louis Delnoce.

Charles Burt

Charles Burt was born in Edinburgh, Scotland in 1822. In 1836 he came to New York City. During his lifetime he worked for ten different banknote companies, i.e., Rawdon, Wright, Hatch & Edson; British-American; Homer Lee; John A. Lowell; New York; Western; American; Baldwin, Gleason; Continental; and International. Ultimately he engraved for the U.S. Bureau of Engraving and Printing. Charles Burt died in Brooklyn, N.Y. in 1892.

The life of Louis Delnoce parallels that of Charles Burt. Delnoce was born in the same year as Burt in New York City; he died there in 1890. This equally talented engraver was employed by six different banknote companies, i.e., Columbian; National; American; Homer Lee; Franklin; and International. He, too, engraved for the U.S. Bureau of Engraving and Printing. His portrait of Dom Pedro II was engraved in 1878.

Thomas F. Morris

Thomas F. Morris, designer, was born on September 2, 1852 in New York City; his parents had come from Merthyr Tydfil, Wales. Young Morris was apprenticed as a designer at the American Bank Note Company; he became Chief Designer in 1882. Six years later he accepted the position of Superintendent of Designing and Engraving at the Homer Lee Bank Note Company. In 1893 Thomas F. Morris was appointed Chief of the Engraving Division at the U.S. Bureau of Engraving and Printing. This highly respected designer died on January 8, 1898 in Brooklyn, New York.

Dom Pedro II

Dom Pedro II, the second and last emperor of Brazil, was an imposing man; he was 6 feet 4 inches tall. His blue eyes were inherited from his German mother. Dom Pedro de Alcantara, his full name, was considered a good, patient and liberal ruler, although he initially favored the old landowning aristocracy. He was somewhat of a linguist. After thirty years as emperor he went abroad. In Europe he sought out literary figures with whom he felt at home and he conversed with them in their languages. In 1876 Dom Pedro visited the United States, where he met Henry Wadsworth Longfellow and John Greenleaf Whittier.

Slavery posed a problem for this emperor. Nevertheless, he freed his personal slaves in 1840, forty-years before emancipation.

(Continued on page 126)

Mary M. Costello and the First National Bank of Tombstone, Arizona



THE PAPER COLUMN by Peter Huntoon

Tombstone, Arizona — the name conjures up ghosts of the wild west, the shootout at the OK Corral, barroom brawls, wide open gambling, bordellos, and the silver mines that drove the local economy. The Tombstone legend epitomizes the old west — a man's world populated by desperate men — a place that spelled survival of the fittest. Tombstone has come to represent macho Americana at its best, or at least maybe the way it should have been.

This is the story of one of the great figures to emerge from Tombstone's past — a self-made individual who grew from personal tragedy to become a respected leader, a person who had intense loyalty to the community, a capitalist who would save the town from economic strangulation by saving its bank. This person was lauded by the local press at the time, but has been largely forgotten — probably because she was a woman and that fact didn't fit the bullet-ridden image of the place as depicted by later historians.

The woman is Mary McNelis Costello. Acting with the aid of her daughter Ruth, Mrs. Costello bailed out the First National Bank of Tombstone in 1921, saving it from collapse in the wake of mismanagement and looting from within. The cost was dear. Her generosity carried a price tag of approximately \$100,000 — \$100,000 in 1920 dollars. Her actions altered Ruth's budding career as a lawyer in southern California's 1920 growing environment and firmly implanted this dynamic young woman in southern Arizona's cattle and copper belt as a permanent and greatly revered resident.

THE BANK

THE First National Bank of Tombstone, Territory of Arizona, was organized on July 11, 1902, with M.D. Scribner as president, and T.R. Brandt as cashier(43). The U.S. Comptroller of the Currency awarded charter 6439 to the bank on September 25, 1902; it boasted a capital of \$25,000 when it opened that fall. The bank was located on the east side of Fifth Street between Allan and Fremont streets. At that time Tombstone was 23 years old, and had served as the county seat of Cochise since that county was organized in 1881. The silver boom was long past, although the economy of the town was still partly rooted in silver production from various mines and claims nearby. Ranching in the vicinity rounded out the economy.

Not much changed in the town or the local economy during the first two decades of the 20th century. The bank remained small, and its influence was hardly noticed outside Cochise

County. The management had changed however. William Cowan became president in 1917, and Maurice M. Bludworth assumed the office of cashier in 1919(42). Bludworth's opportunity came on the heels of the tragic death of the bank's cashier, T.R. Brandt.

Brandt was alone tending the business of the bank during the noon hour on Friday, November 2, 1917, when a pistol-wield-



Mary McNelis Costello, 1926

ing gunman, Fred H. Koch, attempted to rob the bank. Brandt foolishly made a quick move toward the bank's shotgun, frightening the intruder into shooting him below the heart. The would-be bandit ran from the bank, jumped on his horse, and attempted an escape toward the town of Gleeson to the east. The villain was quickly apprehended by Chief Deputy Sheriff Guy Webb who chased Koch two miles in a Ford racer driven by Immigration Inspector Jeff Milton(8). Brandt was mortally wounded and he died December 10th, whereupon he was succeeded as cashier first by J.A. Rockfellow and then by H.C. Almy, who served until a permanent replacement could be found(9).

The young replacement was Maurice M. Bludworth who moved to Tombstone in 1919 with his wife. The couple quickly and easily blended into the community. Bludworth was recalled as a very fine young man, and it appears that he soon became aligned with a number of go-getters who were enjoying the

speculative boom in the overheated post-World War I stock market(5). Interest in stocks was so great, in fact, that a big blackboard was set up in the ice cream parlor in Bill Boyd's drug store upon which the latest quotes were entered each afternoon(5).

Tombstone was enjoying modest prosperity, its sons were returning from the World War, and the population of the town was stabilized at about 1,500. One local newspaper—*The Epitaph*—described the place as “a quiet, prosaic little town(32).” At this time, Mary Costello, the focus of this account, was a minor stockholder in the First National Bank, but she was a resident of Los Angeles and had virtually nothing to do with the management of the bank.

The post-World War I agricultural depression initiated a serious impact on southern Arizona cattlemen as early as 1921(33); the local economy of Tombstone was affected. As a consequence, attention, but not great concern, began to focus on the First National Bank.

TROUBLE STRIKES

The first hint that trouble might be brewing came on Monday, August 15, 1921, with a front page headline announcing: “First National Bank Changes Management(11).” Gone were William Cowan and M.M. Bludworth. The new management, installed at a meeting the previous Saturday, included Mary M. Costello, president; C.L. Cummings, vice president; Ruth Costello, vice president; and D. Pierce, cashier. Mrs. Costello released the following letter of assurance to the community:

This is to advise that I have today arranged to increase my holdings of stock in the First National Bank of Tombstone, to a substantial sum; that because of the interests which I have increased, and because of the very friendly interest that I felt in the town of Tombstone, I wish to assure my friends and the friends of the bank that the institution is to be put and kept, in the most solvent and liquid condition possible to have a bank; that it is the desire of the president, Board of Directors and the officers of the bank, to maintain the First National's record of usefulness to the community, and in soliciting continuation of the business of the people of Tombstone and its surrounding territory they may be assured of all the courtesies to be had of a carefully conducted and obliging banking house. To those depositors now doing business with the bank, I have no hesitancy in saying that their interests will be fully protected by me. Thanking you in behalf of myself, and associates, I remain, cordially, Mary M. Costello(11).

The circumstances behind Mrs. Costello's presence at the reorganization meeting are uncertain. She may have been called from her home in Los Angeles specifically for the meeting with plans to buy the bank, or she may have been visiting her previous hometown when the meeting was called and the opportunity for the purchase presented itself. Regardless, it is clear that when she increased her holdings in the bank, she bought nothing but a headache.

She was aware that the loan portfolio included some slow or questionable notes; however, it is certain that she was not aware of the extent of the damage or the fact that several shortages were hidden in the cracks—one amounting to \$15,000. She returned home to Los Angeles immediately after the reorganization meeting to confer with her attorney, William A. Bowen of the firm Flint, McKay, and Bowen. Bowen did not like what he found on the bank's books. He advised Mrs. Costello to back

away from her deal and close her bank pending a full investigation.

On Friday, August 19, 1921, a headline on the front page of the *Tombstone Prospector* screamed: “First National Bank Closes Doors Today(12).” Chief bank examiner R. H. Collier of the 11th Federal Reserve District suddenly found himself in charge of the bank, pending appointment of a temporary receiver(12). The *Prospector* carried the following news:

It was announced that on advice of her attorneys, Mrs. Costello had decided to repudiate her former assurance and agreement, and would not go through with the matter as formerly intended. The reason given for this action, is because the statement was too broad and let down the bars for unlimited guarantee(12).

Furthermore, it was announced publicly that through her attorneys Mrs. Costello was initiating an investigation into the affairs of the bank.

From the tone of the reporting in the *Prospector*, it is clear that the editors felt duped in publishing Mrs. Costello's letter of assurance upon her takeover of the bank. The paper lamented that the published assurances had prevented withdrawals by depositors, and had in fact encouraged new deposits right up until the day the bank closed. In frustration, the paper carried the following:

We are of the opinion that the hundreds of depositors are taking the matter a little too calmly, believing that their interests are being protected, but judging from the trend of events since that notorious guarantee of the president of the bank, which was carried in these columns for our readers in absolute good faith, following the reorganization, it appears the depositors had better organize, and at least get some satisfaction as to what is to be done(13).

MRS. COSTELLO DEALS

Mrs. Costello was caught in a miserable position. She could cut her losses to a minimum, discredit her word by worming out of the deal, and jeopardize old friendships in Tombstone. On the other hand she could swallow hard and protect the depositors against loss by covering the bad paper with her own money. There is no available record of her exact maneuvers; however, the broad outlines of her strategy are revealed in subsequent news accounts, which demonstrate that she had remarkable business savvy. She kept her word by protecting the depositors from loss by infusing the bank with her own capital, yet before she did so she walked a middle ground wherein she extracted important concessions from all parties. She gained guarantees from the depositors that they would not withdraw their deposits immediately upon a reopening of the bank. She also won significant concessions from the pre-takeover owners of the bank. These involved a renegotiation of the terms of her purchase, which included her acquisition of the remaining outstanding stock in the bank. All of this took time, but since she was clearly holding the only ticket to salvation, everyone worked patiently to secure her objectives.

The bank was closed August 19, 1921, and stayed closed until November 10th. A number of events transpired almost immediately. Bank examiner J.T. Jernigan took over the receivership on August 24 as a temporary replacement for Chief Examiner Collier who returned to Dallas. Abijah G. Smith, president of the Cochise County State Bank with headquarters in Tombstone and a branch in Benson, attempted to ferret out a deal whereby his bank could purchase the good assets held by

the First National Bank, thus assuring its liquidation as a potential competitor(13). Nothing came of Smith's negotiations.

William Bowen, Mrs. Costello's attorney, left for Washington, D.C. to confer with Comptroller of the Currency D.R. Crissinger and his staff regarding the affairs of the bank soon after it was closed. Mrs. Costello joined him in Washington about September 1 to review her options(15).

Next, Alexander Bailey McCans, a National Bank examiner who was headquartered in Dallas, was appointed as temporary receiver and arrived in Tombstone September 16th to take charge of the bank(14), (15). McCans then traveled to Los Angeles to confer with Bowen who apparently still had possession of many of the bank's books. He was joined in Los Angeles by another examiner, H.F. Brewer, and together the three men returned to Tombstone on October 1st where Bowen publicly advised that a thorough investigation of the bank's affairs was to be made with the objective to reopen if possible(16). At this point, a depositor's committee pledged their support to the bank should it be reopened, thus partially eliminating one of Mrs. Costello's principal hurdles(17). Their guarantee was to leave their funds on deposit for at least six months after the bank was reopened, provided that Mrs. Costello covered the questionable loans. Bowen returned to Los Angeles with this good news on October 6th(19).

BAD BOOKS

Meanwhile the audit of the bank's books revealed serious shortages and manipulations. The evidence pointed to Bludworth, the former vice president and cashier. He was arrested in Tombstone and taken to Tucson on charges of false entries and misapplication of bank funds. Bludworth's preliminary hearing began on October 6, a Thursday, wherein Assistant U.S. Attorney John H. Martin presented evidence of criminal wrongdoing using testimony from Bank Examiners McCans and Brewer, and D. Pierce, a clerk at the bank(18). The worst charge aired at the hearing was that Bludworth had taken \$15,000 from the bank's deposits and placed the money in the First Cattle Loan Company, a firm that he apparently established as a front for such manipulations. Ironically, it turned out that the \$15,000 was bond money deposited with the First National Bank in a surety account to cover an embezzlement of county funds by W.P. Walker, a former assistant treasurer of Cochise County. Newspaper accounts advised that the two bank examiners introduced ledger leaves and checks into evidence. "Their testimony, largely of a technical nature, bristled with dates and figures(18)."

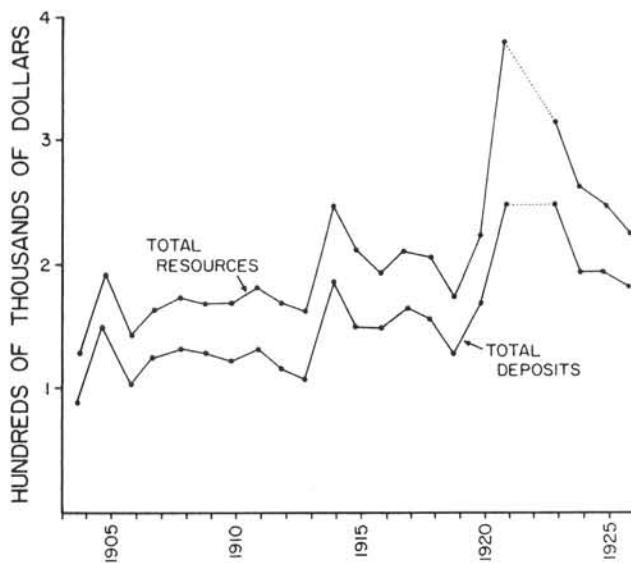
The evidence was damaging and Bludworth's case was brought before the Grand Jury of the United States, District of Arizona, in late 1921. The jury handed down indictment C1596 against him charging that he had misappropriated the Walker Bond money(45). This was the first of 24 separate indictments spanning dozens of counts arising from Bludworth's manipulations of bank funds that would come from the Grand Jury over the next two years(44).

REORGANIZATION

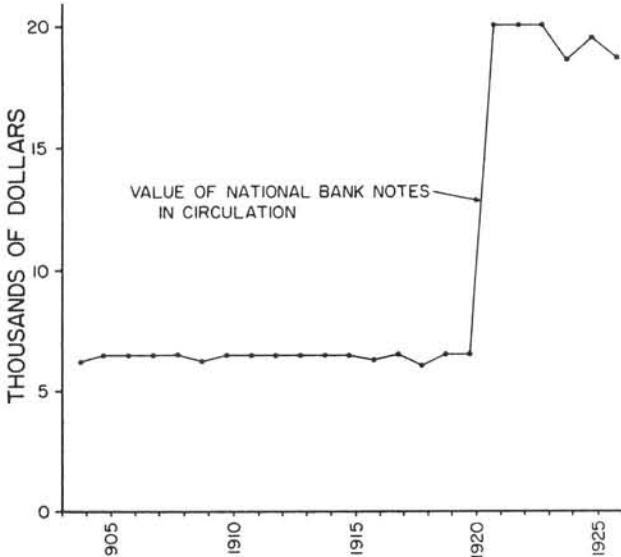
The reorganization of the bank was largely handled by Mrs. Costello's lawyer, William Bowen, who traveled between Los Angeles and Tombstone to work out the remaining details. These involved a number of crucial matters including rounding up the last of the outstanding stock for Mrs. Costello(20), (25), settlement of a \$97,000 surety bond covering county funds on deposit with the bank(22), (23), reorganization of the manage-

ment of the new bank, and securing outstanding pledges of support from depositors. Mrs. Costello stayed in Los Angeles.

At the time the bank closed, Cochise County had \$92,000 on deposit with the bank—funds that were covered by a \$97,000 security bond held by the United States Fidelity and Guaranty Company of Los Angeles. Consequently, the bonding company became the greatest creditor of the bank. On October 21, Bowen telegraphed the *Prospector* from Los Angeles with the news that an agreement was made between Mrs. Costello and U.S. Fidelity and Guaranty Company whereby Mrs. Costello would purchase the bonding company interest at a discount. On that same day a representative of the bonding company met with the county supervisors in Tombstone to deliver a check for the \$97,000 face value of their bond, and the supervisors returned the \$5,000 difference between their deposits and the value of the bond(21). This bond was the worst liability facing Mrs. Costello, and purchasing it effectively infused the bank with substantial cash, thus paving the way for its reopening.



Total resources and deposits of the First National Bank of Tombstone, Arizona.



National bank note circulation for the First National Bank of Tombstone, Arizona.

THE BLUDWORTH CASE

Maurice M. Bludworth, former cashier and vice president of the First National Bank of Tombstone, was indicted by the Grand Jury of the United States, District of Arizona, in Tucson in 1921. He was charged with misappropriating \$15,000 in funds deposited with the bank as surety in an embezzlement case involving a former assistant Cochise County treasurer. His was criminal case 1596, and it charged that he used the \$15,000 to pay his brother \$8,000 to cover a deposit his brother had entrusted to the bank which was not properly recorded on the bank's books, and the remainder was used to cover Bludworth's personal obligations(45). As the investigation of the bank's books proceeded, numerous misapplications were discovered, as well as falsified records, and falsified reports to the Comptroller of the Currency regarding the condition of the bank. These additional findings resulted in 23 new indictments between November, 1922, and November, 1923(44).

It appears from the indictments that Bludworth utilized two companies as fronts, the First Cattle Loan Company and Solstice Mining and Milling Company, to juggle funds taken in through deposits, and funds he created through ledger entries as bogus loans to the bank, credits, or discounted paper from other banks(45). In the process he was guilty of falsifying entries, and also of falsifying statements of condition to the Comptroller of the Currency. In one interesting twist, he misappropriated \$7,192.14 to cover the cost of 40 shares of stock in his bank that he purchased for himself.

The books ultimately revealed that Bludworth not only misappropriated bank funds to cover personal liabilities, but that he also took care of his friends as well. Among the counts in the indictments are charges of excessive loans to cronies in violation of National Banking laws, bogus letters of credit to other banks for friends, and discounting of worthless paper presented to the bank by co-conspirators, wherein the bank paid out cash which was apparently used in speculative ventures(45). Several of the indictments named additional parties, some of whom were probably just fictitious names entered on the bank's books by Bludworth.

Bludworth's known crimes dated from the beginning of 1921, about the time the stock market began to sour in the post-war depression. His illegal activities resulted in 24 felony indictments. These were ultimately consolidated into three indictments, C1990, 2192, and 2200, which involved dozens of counts. As shown in the accompanying table, cases 1990 and 2192 went to trial together in the United States District Court at Tucson in late 1923 and resulted in conviction on December 15, 1923. On December 24, Bludworth was sentenced to three years in the U.S. Penitentiary at Leavenworth, Kansas, and fined \$5,000. U.S. Marshal G.A. Mank delivered Bludworth to prison on December 27th. Case 2200 was later brought before the District Court at Tucson and settled with a guilty plea from Bludworth on September 12, 1924. He was sentenced in that case to one year and one day concurrent with the previous prison term(45). A phone call to the records center at Leavenworth Penitentiary disclosed that Bludworth was released on May 18, 1926(4).

Of the several people named in the indictments as co-conspirators with Bludworth, only K.N. Coplen was convicted—of using \$487.40 in funds that Bludworth had misappropriated to his account. On June 3, 1924 Coplen was sentenced under case 2200 to imprisonment for six months in the Yavapai County Jail at Yuma(45). Ironically, Coplen was a director of the competing Cochise County State Bank at the time(34).

Table 1. M.M. Bludworth's criminal cases before the U.S. District Court for the District of Arizona at Tucson(45).

Case Number	1990	2192	220
Indicted	Feb. 19, 1923	Nov. 8, 1923	Nov. 13, 1923
Disposition	jury trial, convicted Dec. 15, 1923 for false entries	jury trial, convicted Dec. 15, 1923 for false entries and misapplication of funds	guilty plea Sept. 12, 1924 false entries and misapplication of funds
Sentenced	Dec. 24, 1923 3 years concurrent with case 2192	Dec. 24, 1923 3 years and \$5000 fine concurrent with case 1990	Sept. 12, 1924 1 year and 1 day concurrent with cases 1990 and 2192

Other indictments dismissed or consolidated into above cases were 1596, 1971 through 1989, and 2201.

In what proved to be a public relations coup, Bowen confirmed on November 3rd that Mrs. Costello would appoint J.P. Connolly as cashier of the First National Bank(24). Connolly, a native of Canada, was a graduate of St. Francis Xavier University at Antigonish, Nova Scotia, and later a graduate of Provincial Normal College(33). After teaching mathematics at St. Francis Xavier University, he moved to the southwest for his health,

which he regained(33). He found employment with the Bank of Bisbee wherein he advanced to assistant cashier over a period of 19 years. It was this position that he would leave to take over the management of the First National Bank of Tombstone. His appointment generated considerable enthusiasm in Tombstone and reinforced confidence in Mrs. Costello's integrity and commitment to the bank and the community.



Ruth Clare Costello, 1924

SUCCESS

Mrs. Costello, her daughter Ruth, and lawyer Bowen arrived in Tombstone Wednesday, November 9th with the news that the last of the outstanding stock had been relinquished to their control the previous day in Los Angeles, and that the bank would reopen on the 10th(26). The *Prospector* was jubilant and had this to say:

Mrs. Costello in her loyalty and interest in Tombstone deserves the highest commendation. Although interest-

ed but slightly in the bank when it first closed its doors, she has come to the rescue with funds running well into six figures, rather than allow the matter to go through the hands of a receiver. Confidence in the people and future of the Old Camp inspired her to back up the institution with the result that when it opens its doors tomorrow it will stand out as one of the strongest financial institutions in the United States(26).

The first order of business before the reopening was to elect new management. This was carried out late in the afternoon of November 9th with the following result: Mrs. Costello, president; Ruth Costello, vice president; J.P. Connolly, cashier and director; Martin C. Costello (one of Mary's sons), J.N. Gaines, and C.L. Giragi (principal in the depositors committee during the closing), directors(28). By a formal resolution, receiver A.B. McCans was extended a vote of thanks for his efforts to reopen the bank.

McCans left for Dallas on the Golden State Limited the evening after the bank reopened. He made the following statement:

And while I am glad to be able to return to my home, with my mission finished, I am leaving Tombstone with fond memories of having met and associated with some of the best people I have ever known, and I will always have a warm place in my heart for Tombstone(27).

McCans also advised that the statement of the bank on its opening day was one that the citizens and officers of the bank should be proud of.



National bank notes issued by the First National Bank of Tombstone during the Costello era. Note 1953 is signed by J.P. Connolly — cashier, and Ruth C. Costello — vice president. Note 2026 is signed by Ruth C. Costello as cashier and her mother Mary M. Costello as president.



TOMBSTONE—HISTORY AT A GLANCE

The story of Tombstone is a tale of the greatest silver rush to converge on Arizona. Its fame rivaled that of the Comstock Lode in Nevada. Tombstone did not exist prior to 1879.

A prospector named Ed Schieffelin is credited with discovering the rich silver deposits that started the rush and for naming the town that grew around the mines(32). Schieffelin prospected the San Pedro River country of southeastern Arizona for some time and made his base at a place known as the Brucknow House. This haven from the hostile Apache Indians was also home for a group of smugglers and rustlers, none of whom particularly understood Ed's interest in rocks.

One the chaps asked Ed just what he was doing on his solo trips into the countryside and mountains. He replied, "Just lookin' for stones." "Well," was the rejoinder, "you keep on and you'll sure find your tombstone out there some day(32). Schieffelin recalled this conversation upon discovering his famous lode in the fall of 1878, and in the wholesome spirit of black humor named the lode Tombstone. The first towns to spring up in the vicinity were Watervale and Richmond, respectively located about a mile west and a mile southwest of what was to become Tombstone. Both sites were unsuited for a large town so in the summer of 1879 the town of Tombstone was begun on a level mesa at an elevation of over 4,000 feet, and Watervale and Richmond were abandoned.

Like most western boomtowns, the first structures in Tombstone were tent homes, dance halls, saloons, and gambling dens, plus flimsy structures posing as rudimentary business establishments offering basic services. These gradually yielded to more substantial structures. Along with the miners came the riff-raff that prey on others. By 1880 there were 3,000 people in all, but few families. The saloons and gambling halls never closed; laws and positive social behavior did not seem to permeate the city limits.

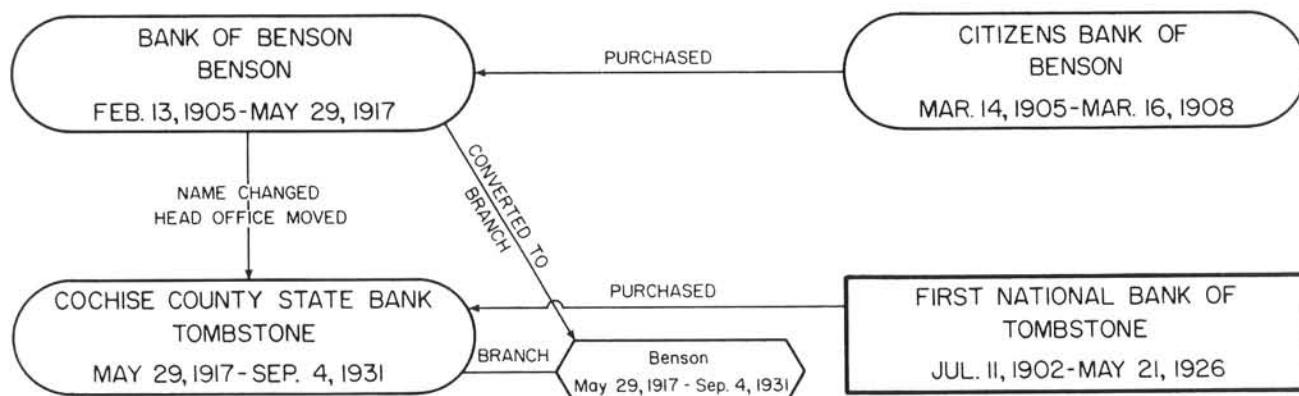
Cochise County was carved out of the southeastern part of Pima County in late 1881, and Tombstone ascended to a county seat. Concurrent with this honor, the local cattlemen organized and ran out or killed a number of the worst characters. Feuding among the remaining thugs culminated with the shootout at the OK Corral between the Earp and Clanton factions in 1882. The participants were never brought to trial, but their spate of violence aroused such public ire that all were forced to leave the county.

The heyday for Tombstone lasted only from 1880 to 1883. Two principal factors gutted the town's population in 1883: first, silver fell into a severe slump, and second, the miners struck the mines to protest a cut in wages(32). Although the mines produced fortunes in silver for many years thereafter, much of the population moved away in 1883. A number of historic sites dotted the town; among these were two handsome gambling houses, the Crystal Palace and the Oriental. Another favorite was the Bird Cage, a vaudeville theater and dance hall. A great deal of silver still lies under Tombstone, but long ago the mine workings flooded, making the silver irretrievable.

The Costello family arrived in Tombstone a few years after the boom. Martin's first apparent claim to fame was recorded in the *Prospector* in February 15, 1882. Quoting from that news story:

The first carload of Anheuser Busch keg beer to go into Martin Costello's new cold storage rooms on Fremont Street, was placed there on Friday night. So favorable has been the weather for shipping it, that the huge chunks of ice retained their shape as when originally cut and placed with the beer in the car(6).

Decades after Martin had passed from the Tombstone scene, a big sinkhole, resulting from the collapse of the ground into the mine workings, exposed some of the upper level workings near the Tombstone high school. Kids I knew who attended that school in the late 1950s used to sneak off into the old tunnels to play hooky and smoke cigarettes!



Relationship between the First National Bank of Tombstone and the Cochise County State Bank which purchased it in 1926.

Not a single withdrawal was made on opening day; in fact a number of new accounts were opened(28). Cashier Connolly announced the bank's new slogan: "The bank of courteous service," which would be used in advertising for years to come.

Mrs. Costello returned home to Los Angeles after a few days. Ruth stayed on with the bank, first as assistant cashier to Mr. Connolly, and then as cashier when Mr. Connolly left the bank in 1925(42). Cecil, her brother, remained director of the bank, but did not actively participate in the day-to-day affairs of the institution.

POSTSCRIPT

On May 12, 1926, A.G. Smith of the Cochise County State Bank, with its main office in Tombstone and a branch in Benson, got his old wish by purchasing the First National Bank from Mrs. Costello(34). Mrs. Costello advised that it was her desire to sell her Tombstone interests so that she could devote her entire energies to managing her affairs in California. Once the take-over was completed, the First National Bank was formally liquidated on May 21(42). Ruth Costello was made an assistant cashier of the Cochise County State Bank, as was John M. Costello, a brother(34). None of the Costello's were on the board of directors.

By 1931, both A.G. Smith and the Costello's had severed their ties with the Cochise County State Bank. A.G. Smith, a pioneer Arizona banker, was retired and living in Benson, the location where the Cochise County State Bank was founded. The institution was under the management of acting president S.N. Spry and cashier O.E. Kellond.

The bank suddenly became a casualty in the great depression. On September 4, 1931, The First National Bank of El Paso, Texas, one of the oldest and supposedly soundest National Banks in Texas, failed. As luck would have it, the El Paso bank was the depository for the reserve funds of the Cochise County State Bank, and with the reserve funds tied up in the El Paso receivership, the bank found itself insolvent and was forced to close Saturday, September 5(35).

Efforts to resuscitate the Cochise County State Bank began immediately by a reorganization committee in cooperation with the officers of the bank and Arizona Superintendent of Banking James B. Button. A full meeting of the depositors was arranged for Thursday evening, September 10, at 7:30 in Tombstone's Crystal Theater and Friday evening at the Benson Auditorium(35). A plan was proposed whereby the depositors would relinquish a third of their deposits to the capital account of the bank, a third would be converted into time certificates of deposit payable in one year, and the remaining third in time certificates payable in two years(36). In addition, the time certificates were to be treated as negotiable. Public response was good but incomplete.

On December 17th, a second depositors' agreement was proposed wherein the depositors would get (1) a 10 percent cash dividend on their deposits the day the bank opened, (2) trust certificates for the other 90 percent, which would be backed by the remaining assets of the bank, (3) orderly liquidation of the trust fund, and (4) a promise that the directors and stockholders would assume their full liability(37). Although the terms of this arrangement were considered an improvement, there was not a 100 percent signup among either the depositors or shareholders(38), (40). As the months dragged on, the State Superintendent of Banking was forced to begin the liquidation of the bank. On February 25, 1932, it was announced that the depositors would receive their first dividend of 10 percent from the liquidation(39). All plans to reopen the failed bank had been dropped by June 3(41). Liquidation proceeded with dismal results—the

last dividend of 2.25 percent was paid to depositors by the Arizona Superintendent of Banking on December 12, 1936, bringing the total recovery to 37.25 percent of deposits at the time of closing five years earlier(3).

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MARY M. COSTELLO

Who was Mary M. Costello, and what was the source of her wealth?

Mrs. Costello was the wife of copper king Martin Costello who settled with her in Tombstone in 1887. At that time, Martin was 41 and a cabinet maker by trade. His wife was 21. Both had emigrated independently from their native Ireland, he from the vicinity of Dublin and she from Donegal. They met in Philadelphia but opportunities in the raw American west beckoned.

Theirs was a classic page from western lore. Martin opened a small saloon on Fremont Street, which he operated until the turn of the century.

It was common gossip that Costello befriended a lonely, tired and hungry prospector, gave him food and shelter and possibly a drink. In return, said this rumor, to show his gratitude the prospector gave all that he had, a mining claim, to the man who had befriended him. Though Mr. Costello was always frugal, it was known that he was liberal with those he liked. This was the case with the prospector.

The claim turned out to be worth considerable in copper. Mr. Costello made \$60,000 out of this deal, and then began his career in which, as was popularly said, everything that he touched "turned to gold."

Out of this money Mr. Costello invested \$50,000 in the "Irish Mag," held the property for two years and sold it for \$750,000. In a similar manner he bought the Bailey, near Tombstone for \$40,000 and sold it for \$500,000 three years later. After that Mr. Costello gradually increased his holdings so that his fortune was variously estimated at from \$4,000,000 to \$5,000,000.

Despite his vast holdings, Mr. Costello was a member of no company and never had a partner. According to his attorney, Ben Goodrich, Mr. Costello never lost any money on any investment he made; everything he "touched turned to gold(1)."

Mr. and Mrs. Costello had ten children, five boys and five girls, eight of whom were born in Tombstone. Following his great success, Martin moved his family to an elegant home at 1417 S. Figueroa Street in Los Angeles in 1902(1). It appears that he lived in Arizona afterward and commuted regularly to Los Angeles to visit his family.

Martin's health began to deteriorate in 1905 and he was eventually diagnosed as having walking typhoid fever. On a Monday morning, September 8, 1911, he visited his physician in Los Angeles regarding his worsening condition and was told there was little that could be done. After enjoying an affectionate luncheon with his entire family, he went to the Golden West Hotel, 844 E. 5th Street, rented a room, and with the revolver he had carried in pioneer days shot himself through the heart(1).

Just prior to his suicide at age 65 Martin had sold the principal interest in the Copper Belle, located near Gleeson, Arizona. He was still holding major interests in at least 50 claims in Arizona, most located near Tombstone in the Turquoise District. In addition, he had major real estate holdings in Douglas, Tucson, Nogales, Courtland, Gleeson, Bisbee, Tombstone and Los Angeles. His portfolio of bank stocks and school district bonds was reportedly valued at many hundreds of thousands of dollars(29).

Mrs. Costello was a rather typical turn of the century Victorian homemaker when Martin died. Their eldest son was 19, and the oldest daughter was 16 at the time. Suddenly Mrs. Costello found herself sole heir to a vast and complex estate, which would demand significant attention and acumen. The record demonstrates that she quickly grew to her newfound responsibilities.

Among her major tests was the famous Costello-Cunningham suit filed against Martin's estate on April 5, 1912, by heirs to the estate of one Patrick Cunningham who had died in 1899(10). The suit alleged that Martin had not settled fairly with Cunningham's widow during the year 1901 on a package deal including 17 major claims in the Warren District near Bisbee. Cunningham was half-owner in these claims, and Costello sold them between 1899 and 1904 to the Calumet and Arizona Company and the Shattuck Company for a reported total of \$1,000,000. The biggest producer among these properties was the prolific Irish Mag, one of the great copper deposits in the southwest from which the Calumet and Arizona Company produced millions.

The Costello-Cunningham suit dragged on for 7 years during which the case was repeatedly appealed by both sides. Three lawyers on the case died during this period among a total of 13 attorneys involved. The initial suit claimed that \$525,878.34 was due the Cunningham estate. Final settlement was made on March 9, 1919 for about \$200,000.

The Willard Hotel in Tucson was among the assets that Mrs. Costello inherited. Built in 1902 on the corner of South Sixth Avenue and East Twelfth Street, it was, at the time, Tucson's largest and most luxurious hotel. News reports of 1913 vintage reveal that Mrs. Costello lived at least part of the time in Tucson and actively managed this fixture(7). Business and social life brought her to Tombstone frequently. Her desire to return to Los Angeles and probably a desire to simplify her affairs prompted her, on July 6, 1920, to sell her entire Pima County holdings, which included the Willard Hotel(31). The purchaser, for a quarter of a million dollars, was the Excelsior Realty and Improvement Company, a corporation headed by Albert Steinfeld, a very prominent Tucson merchant and president of the Consolidated National Bank of Tucson. Numerous other important commercial, residential, and undeveloped properties were included in that transaction; \$250,000 bought a considerable amount of property in those days!

(Continued on page 126)

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Costello (Continued from page 125)

Mrs. Costello was 45 years old when Martin died. By the time she took control of the First National Bank of Tombstone, she was 55. By 1924 she was honored as "a capitalist and business woman, well-known for her financial standing throughout the Southwest(33)." She was the largest property holder in Tombstone in the early 1920s.

Mrs. Costello gradually retired and maintained her home in Los Angeles where she died December 12, 1941, at 74 years of age(2). Her daughter Ruth stayed in Tombstone after the bank was reopened and married in 1926. One of Mary's sons, Cecil, began his career in ranching in 1915 in the Cochise Stronghold country 12 miles northeast of Tombstone. His Sycamore Springs Ranch was one of the most successful spreads in the area, earning Cecil prominence throughout the state. He took about two years out of his ranching career to serve in the trenches of World War I during which he rose to the rank of sergeant(30).



Insurrection (Continued from page 111)

notes as emergency money were issued in the following denominations: 10 and 15 gr., 1, 2 and 5 zlp, each in different paper colors (white, green, yellow, pink and blue) and signed by the issuer (Malachowski) and his clerks. One should remember that paper money has not been so unfamiliar to T. Kosciuszko. During his American campaign he probably saw and used various notes issued by both the Continental Congress and the individual colonies, or states, in America. Here again we come to the American aspect of T. Kosciuszko's unusual career that proposed this last observation as a hypothesis. Two and a half months of treasury notes circulating in Warsaw amounted to no more than 6 million ducats, estimated according to the nominal value of all the paper money printed during this turbulent

period. The next chapter in the history of Polish paper money took place in the Duchy of Warsaw, which existed during the Napoleonic wars in central and eastern Europe in the early 19th century. On the other hand Polish territories seized by Russia, Austria and Prussia were incorporated into the monetary markets of those three partitioning powers, which just began to issue their own paper money at the turn of the 18th and 19th centuries.

Literature:

Askenazy S. and W. Dzwonkowski (ed.), *Akty powstania Kościuszki* (Records of the Kościuszko's uprising) vols 1-2, Krakow 1918.

Grodecki A., *Pieniądze papierowe podczas Insurekcji 1794 roku* (Paper money during the Insurrection of 1794), Rocznik Wydziału Szkół Handlowej vol. 4:1927, pp. 67-152.

Kumatarski M., *Pieniądze papierowe polskie z roku 1794* (Polish paper money from 1794), Zapiski Numizmatyczne (Krakow) vol. 5, 1888, no 18, pp. 313-327

Mikolajczyk, A., *Najstarsze banknoty polskie w zbiorach Muzeum Archeologicznego i Etnograficznego w Łodzi* (The earliest Polish notes in the collection of the Archaeological and Ethnographical Museum in Łódź), Prace i Materiały Muzeum Archeologicznego i Etnograficznego w Łodzi, seria numizmatyczna i konserwatorska vol. 2, 1982, pp. 51-62, plates I-XII.

Footnotes

1. Hetman was the highest military rank, from the 16th to the 18th century, in the Kingdom of Poland and the Great Duchy of Lithuania; it was held independently.
2. Voivodship (województwo) is a traditional Polish administrative unit, equal to province or department.
3. Mint-foot was the basis of the Polish monetary standard; it established the quantity and quality of coins struck.
4. Great Poland is the name of one of the Polish historical provinces.



Dom Pedro (Continued from page 117)

tion was accomplished in Brazil. In 1880, he lost his popularity among the wealthy landowners due to his liberal policies, including the abolition of slavery, freedom of speech and freedom of the press.

A military revolt helped create the Republic of Brazil, which was established on November 15, 1889. Dom Pedro II left the country with his family, refusing the considerable sum of money offered to him. He died two years later.

The reversed portrait of Dom Pedro II has bothered me for years, so I decided to submit my observations to these pages. Undoubtedly there are portraits of others, printed or engraved in reverse. Have you seen any?

From the illustrations shown here we can see that if a portrait is to be reversed, without visible notice, the subject must have his or her hair parted in the middle, or no part at all, and have no overlapping lapels.

This article was originally published without illustrations in the *International Bank Note Society Journal*, Vol. 24, No. 1, 1985. Since then I have located photographs that illustrate the text.

Railroad Notes and Scrip of the United States, the Confederate States and Canada

by RICHARD T. HOOBER

(Continued from PM 141, Page 92)

UTAH

SALT LAKE CITY—BINGHAM CANYON & CAMP FLOYD RAILROAD COMPANY

The road was incorporated September 10, 1872, to connect the silver and lead mining districts of the Bingham Canyon area with the Utah Southern Railroad. On September 1, 1881, the road was sold under foreclosure to the Denver & Rio Grande Western Railway. On July 31, 1908, the company merged to form the Denver & Rio Grande Railroad.

- | | | | |
|----|-------|---|----|
| 1. | 1.00 | (L) Indian, 1 above. (C) Train. (R) Female, i above. | R7 |
| 2. | 2.00 | Similar to No. 1, except denomination. | R7 |
| 3. | 5.00 | Similar to No. 1, except denomination. | R7 |
| 4. | 10.00 | Similar to No. 1, except denomination.
Date—January 15, 1874.
Imprint—H. Seibert & Bros. Lith. 182 William St. N.Y. | R7 |

VERMONT

RUTLAND—RUTLAND & WASHINGTON RAILROAD

- | | | | |
|----|----|---|----|
| 1. | 5¢ | Type set. (C) 5.
Date—Sept. 1862.
Imprint—None. | R5 |
|----|----|---|----|



Vermont No. 1

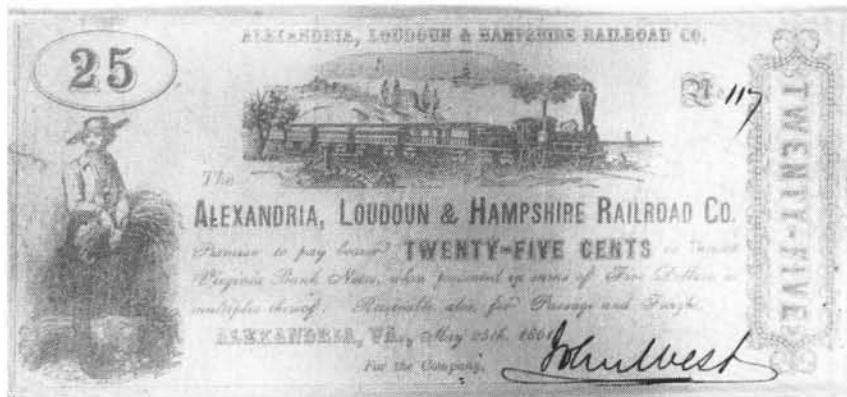
VIRGINIA

ALEXANDRIA—ALEXANDRIA, LOUDON & HAMPSHIRE RAILROAD COMPANY

The road was chartered March 15, 1853, and construction started February 16, 1855. The line from Alexandria to Leesburg was opened in 1858. The original line was to end at Round Hill. A Virginia Act of March 29, 1870, authorized the company to change the route from the original proposal to one as the most direct through the counties of Clarke and Frederick, and by Winchester. The corporate name would be changed to "Washington & Ohio," and the capital stock increased to \$15,000,000.

A West Virginia act authorized the extension to the west bank of the Ohio River at any point between the Little Kanawah and the Big Sandy rivers with a branch to the Great Kanawah and such branches as might be expedient. The road was acquired by the Washington, Ohio & Western Railroad, May 9, 1893, then leased to the Richmond & Danville Railroad, in October, 1886 for 999 years. The railroad later became part of the Southern Railway.

- | | | | |
|----|-----|---|----|
| 1. | 25¢ | Female holding sheaf, 25 above. (C) Train. (R) TWENTY-FIVE. | R7 |
| 2. | 50¢ | No descripton.
Date—May 25, 1861.
Imprint—None | R7 |



Virginia No. 1

BERKELEY COUNTY—BERKELEY COAL MINING & RAILROAD

- | | | | |
|----|-----|---|----|
| 3. | 10¢ | Type set note
Date—1837.
Imprint—Unknown. | R7 |
|----|-----|---|----|

LYNCHBURG—VIRGINIA & TENNESSEE RAILROAD

The road's first locomotive, "Roanoke," made its initial run from Lynchburg to Bristol, Tennessee, in 1856.

- | | | | |
|----|-------|---|----|
| 4. | 5.00 | (L) 5 above, FIVE below. (C) Train. (R) 5 above, 5 below. | R6 |
| 5. | 10.00 | (L) Three women, 10 above. (C) Man. (R) 10 above, X below. | R6 |
| 6. | 20.00 | (L) 20 above, XX below. (C) Woman, eagle, train.
(R) 20 above, TWENTY below. | R6 |

Enemy's Currency (Continued from page 115)

Footnotes

- 1 *War of the Rebellion: Official Records of the Union and Confederate Armies* (Washington: Government Printing Office) (Hereinafter cited as OR), Series I, Vol. 16, Part II, p. 882
- 2 Immediately after the Confederates left Frederick, Maryland in September 1862 a reporter from the New York Herald asked Frederick merchants:
Question: Was there any Federal money used by the Confederates in their purchases?
Answers: None at all. The only money besides Confederate Scrip was some South Carolina money.
- 3 At the time of General Orders No. 63 the counterfeits of Mr. S.C. Upham of Philadelphia were being produced and sold. See *Paper Money*, Vol. XV No. 4/5, July-October 1976, p. 188-199.
- 4 OR, Series I, Vol. 23, Part II, p. 189
- 5 OR, Series I, Vol. 23, Part I, p. 262
- 6 OR, Series I, Vol. 30, Part III, p. 757
- 7 Heros Von Borcke, *Memoirs of the Confederate War for Independence* (Philadelphia: J.B. Lippincott & Co., 1867), p. 87.
- 8 Albert Castel, "Morgan's Last Raid", *Blue & Gray Magazine* (December 1988)
- 9 OR, Series IV, Vol. 3, p. 82
- 10 John Bakeless, *Spies of the Confederacy* (Philadelphia: J.B. Lippincott Company, 1970), p. 87. Mentions a Charles E. Langley, employee of the B & O Railroad who was engaged in movement of supplies through the lines.
- 11 OR, Series I, Vol. 33, p. 1174
- 12 OR, Series I, Vol. 34, Part II, p. 978
- 13 OR, Series III, Vol. 4, p. 158
- 14 OR, Series I, Vol. 33, p. 1241
- 15 John H. Alexander, *Mosby's Men* (New York: The Neale Publishing Company, 1907), 104-15.
- 16 OR, Series IV, Vol. 3, p. 477
- 17 OR, Series IV, Vol. 3, p. 741
- 18 OR, Series I, Vol. 42, Part III, p. 1159
- 19 OR, Series II, Vol. 7, p. 460
- 20 OR, Series II, Vol. 6, p. 469
- 21 OR, Series II, Vol. 6, p. 507
- 22 OR, Series III, Vol. 4, p. 432
- 23 OR, Series I, Vol. 37, Part II, p. 596
- 24 OR, Series II, Vol. 8, p. 131
- 25 OR, Series I, Vol. 46, Part II, p. 366
- 26 OR, Series I, Vol. 49, Part II, p. 1254
- 27 Michael P. Musick, "Uncle Sam's Confederate Fortune", *North South Trader*, September-October 1977, p. 14-16.

Syngraphic Vignettes

by ROBERT H. LLOYD

THE early 'twenties were great years for bank note collectors. We were able to buy foreign currencies on the streets from vendors who hawked their wares by pointing out that German marks, once worth 23.8¢, someday might again return to par from their low market quotations. The appeal was potent, as a small investment from a quarter to a few dollars might bring a tidy profit. A hundred marks for a quarter!

The writer admits to buying German marks over a period of three years, not with any idea of future redemption, but to see if a set of quality notes could be acquired this way. A great many people were "into it" it seemed. Travel agents—not many in those days—mostly sold tickets to Europe, and many did a good business in foreign exchange. Their window displays were intriguing. Many notes were mounted on the inside of the window to attract attention; others were in frames arranged by countries, next to steamship posters. There were marks, rubles, kronen, zlotys, francs, lire and florins. If you have a faded note that shows signs of mounting, it could well be one of these window display items of the 1920s.

In addition to travel agents, some small banks got into the game. One that comes to mind is the Public State Bank of Chicago, whose letter-size double-fold pages listed all their offerings, and notes by denominations in quantities of 1, 10 or 100. The sheets were printed on pink, orange or canary paper, and were published for over a year, until the craze subsided. Alas! I destroyed these along with many of my old files when I gave up our city home on retirement. The correspondence, much of it from prominent men in the ANA, would be interesting reading today. The Public State Bank enabled me to complete some nice sets from Poland, Russia, Austria and Hungary, and a few more costly notes from the allied nations.

It was an exciting time to be a collector. Many of the notes I obtained for a modest amount were in my cabinet for over forty years.

More on the 'twenties later.



Awards at Memphis

In addition to the attractive plaque that each exhibitor received from the Memphis Coin Club, the following awards were presented. The Fractional Currency Club: **Doug Hales**, first; **Benny Bolin**, second; **Nancy Wilson**, third.

The International Bank Note Society (IBNS) Amon Carter, Jr. Award: **Armen Youssefi**.

The Society of Paper Money Collectors (SPMC): **Robert Ross**; the Julian Blanchard Award, **Gene Hessler**.

In addition to these two awards presented at the banquet, the Nathan Gold Award for the advancement of paper money collecting went to **Chet Krause**. The Society's Award of Merit was presented to **James Haxby** for his *Standard Catalog of U.S. Obsolete Bank Notes*.

Literary Awards for articles in *PAPER MONEY* were as follows: first, **David Ray Arnold, Jr.** for "The Calmady Children" in No. 138; second, **Rodney Battles** for "John S. Fillmore, U.S.A. Paymaster" in No. 136; third, **Ron Horstman** for "The First Greenbacks of the Civil War" in No. 135.

A new award was announced at the SPMC banquet—the R.A. Johnson Memorial Award for a currency exhibit that displays unusual serial numbers. The first recipient of this award was **Mike Abramson**.

The 121st Numismatic Ambassador was announced at the SPMC banquet. Chet Krause presented this award to SPMC-member and IBNS president, **Joseph Boling**.



Paper Money will accept classified advertising from members only on a basis of 15¢ per word, with a minimum charge of \$3.75. The primary purpose of the ads is to assist members in exchanging, buying, selling, or locating specialized material and disposing of duplicates. Copy must be non-commercial in nature. Copy must be legibly printed or typed, accompanied by prepayment made payable to the Society of Paper Money Collectors, and reach the Editor, Gene Hessler, P.O. Box 8147, St. Louis, MO 63156 by the tenth of the month preceding the month of issue (i.e., Dec. 10, 1988 for Jan. 1989 issue). Word count: Name and address will count as five words. All other words and abbreviations, figure combinations and initials count as separate. No check copies. 10% discount for four or more insertions of the same copy. Sample ad and word count.

WANTED: CONFEDERATE FAXIMILES by Upham for cash or trade for FRN block letters, \$1 SC, U.S. obsolete. John W. Member, 000 Last St., New York, N.Y. 10015.
(22 words: \$2: SC: U.S.: FRN counted as one word each)

STOCK CERTIFICATES & BONDS — buy and sell! Current catalog of interesting certificates for sale, \$1. Buying all—but especially interested in early Western certificates. Ken Prag, Box 531PM, Burlingame, CA 94011, phone (415) 566-6400. (149)

WANTED: NORTH CAROLINA OBSOLETE CURRENCY, SCRIP, BANK ITEMS AND CONFEDERATE ITEMS. Single items or collections. Send description and price. Jim Sazama, P.O. Box 1235, Southern Pines, NC 28387. (143)

OHIO NATIONALS WANTED: Also want Lowell, Holland, Tyler, Ryan, Jordan, O'Neill. Private Collector. Lowell Yoder, P.O. Box 444, Holland, OH 43528. (142)

ALASKA SCRIP, CLEARING HOUSE CERTIFICATES, NATIONALS AND TOKENS WANTED. Describe or ship with your price or for my offer. Ron Benice, 25 Stewart Place, Mount Kisco, NY 10549. (143)

BUYING OLD BANK CHECKS, certificates of deposit, bills of exchange, older books on Confederate or obsolete bank notes. Bob Pyne, P.O. Box 149064, Orlando, FL 32814. (145)

WANTED: INVERTED BACKS FOR MY PERSONAL COLLECTION. Any condition; large and small-size notes. Please send photo or description with your price for the notes. Lawrence C. Feuer, c/o C&F, 200 E. Post Rd., White Plains, NY 10601. (146)

ALBANY & TROY, NEW YORK NATIONAL WANTED. Also Altamont, Cohoes, Ravena, Watervliet, West Troy, Lansingburgh, Castleton. Describe or ship with price or for offer. William Panitch, P.O. Box 12845, Albany, NY 12212. (149)

NEW YORK NATIONALS. Ballston, Saratoga, Mechanicville, Schuylerville, Corinth, Waterford, South Glen Falls. Send description and price. All letters answered. Thomas Minerley, 30 Charles St., Ballston Spa, NY 12020. (143)

BUYING OLD BANK CHECKS, certificates of deposit, bills of exchange, older books on Confederate or obsolete bank notes. Bob Pyne, P.O. Box 149064, Orlando, FL 32814. (145)

NEW YORK NATIONALS WANTED FOR PERSONAL COLLECTION: TARRYTOWN 364, MOUNT VERNON 8516, MAMARONECK 5411, Rye, Mount Kisco, Hastings, Croton on Hudson, Pelham, Somers, Harrison, Ossining, Yonkers, White Plains, Irvington, Peekskill, Bronxville, Ardsley, Crestwood, New Rochelle, Elmsford, Scarsdale, Larchmont, Port Chester, Tuckahoe. Send

photocopy; price. Frank Levitan, 530 Southern Blvd., Bronx, NY 10455, (212) 292-6803. (144)

WANTED: I will pay \$100 for a CU, \$1 FRN or a small-size CU, SC with serial number 00099999. Any series. Any block. Jim Lund, 2805 County Rd. 82, Alexandria, MN 56308. (143)

NUMBER ONE NOTES AND SHEETS, 11111111 through 99999999, nine digit 100000000, 2 through 9, large-size "stars" CU, small-size number one "stars", \$100 1966 "stars" s/n 1 to 4, Cu 1907 \$10 Gold, and high denominations in all United States types and varieties. Want Michigan Nationals, singles and sheets. KALAMAZOO, MICHIGAN all types. Paying up to \$25,000.00 for wanted notes and sheets. Jack H. Fischer 3123 Bronson Boulevard, Kalamazoo, MI 49008. A/C 616-344-5653 and 343-5538. (145)

1907 CLEARING HOUSE SCRIP AND CHECKS WANTED: Need examples and information from most states. Please send information with copy. I am currently interested in scrip from Mississippi, Ohio, Wisconsin, Virginia, North Dakota, Georgia and Florida. Tom Sheehan, P.O. Box 14, Seattle, WA 98111. (144)

MINNESOTA MATERIAL WANTED FOR MY PERSONAL COLLECTIONS: Obsoletes, Nationals, Postal Notes, Civil War Tokens. Have other states for trade. Send want list. Shawn Hewitt, Box 1114, Minneapolis, MN 55458-1114. (144)

MICHIGAN NATIONALS, OBSOLETES, SCRIP, SC, U.S. FRACTIONALS. FRN block set 1963-1974 including ★s, complete 358 notes \$1,200. Partial block sets, 1963, 1963A & B, 1969, 1974 lacking 4 notes, \$625. Dr. Wallace Lee, Suite 210, Summit Pl., Pontiac, MI 48053. (144)

WANTED, INFORMATION ON: \$1, 1865 1st NB of YPSILANTI. I have found three auction listings of this note. Grinell 2016 Gd & 4245 Fair; & Kosoff 517 Gd (10/26/71). Are these listings the same note or is there more than one known? David Davis, P.O. Box 205, Ypsilanti, MI 48197. (144)

WANTED: ALL OBSOLETE CURRENCY, ESPECIALLY GEORGIA, which I collect. Particularly want any city-county issues, Atlanta Bank, Georgia RR Banking, Bank of Darien, Pigeon Roost Mining, Monroe RR Banking, Bank of Hawkinsville, La Grange Bank, Central Bank Milledgeville, Ruckersville Banking Co., Bank of St. Marys, Cotton Planters Bank, any private scrip. I will sell duplicates. Claud Murphy, Jr., Box 24056, Winston-Salem, NC 27114. (147)

FIXED PRICE LIST OF BROKEN BANK NOTES, U.S. notes, paper Americana and tokens, about 40 pages. Norman Peters, P.O. Box 29, Lancaster, NY 14086. (144)

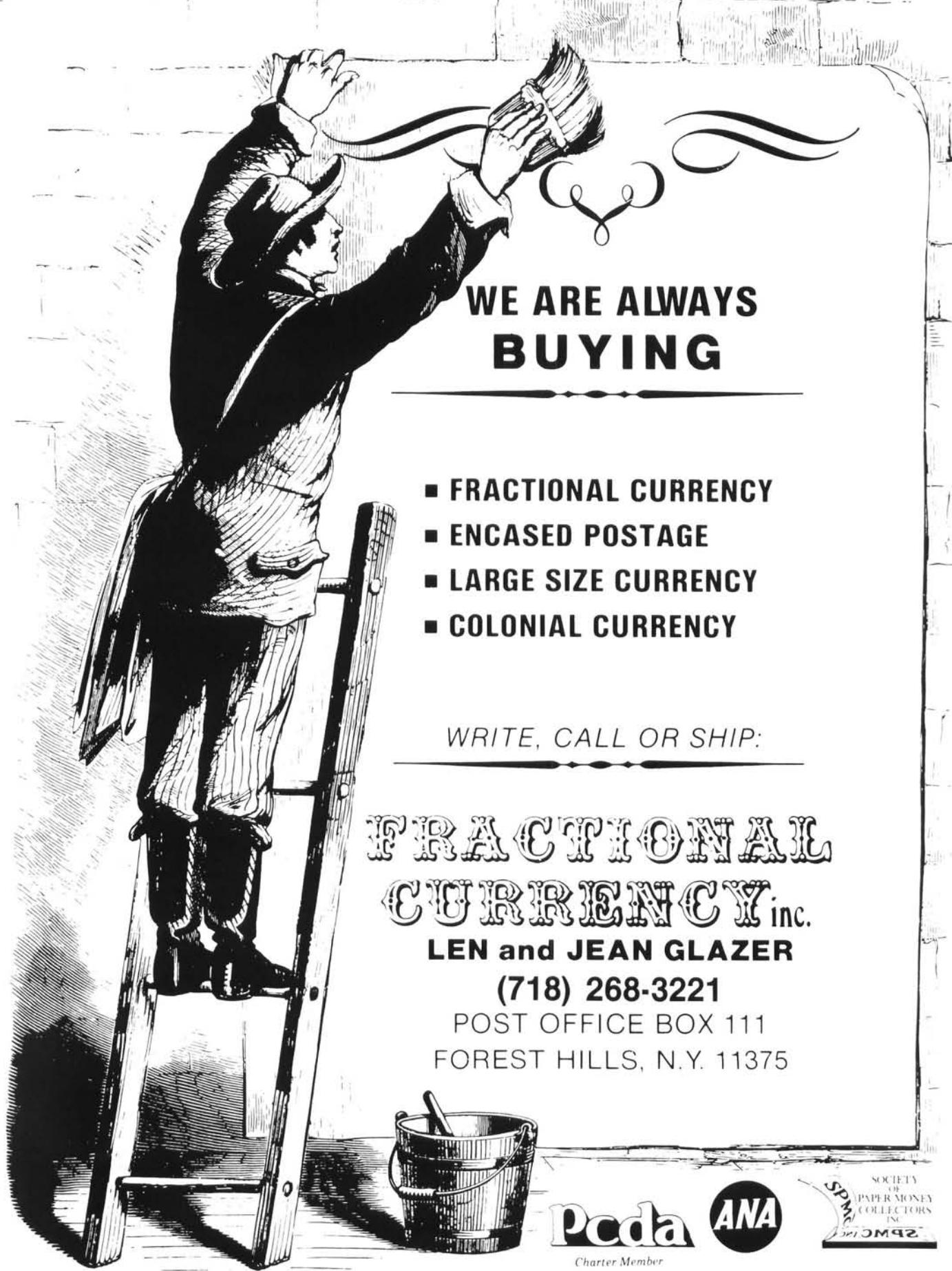
PAPER MONEY (SPMC JOURNAL), Vols. 5-12, 1966-1973 complete, excellent cond. Also, SPMC membership lists for 1966, 1967 & 1973 (incl. constitution and bylaws). Index to Vols. 1-10, 1962-1971. Make offer. C. Meccarello, 228 Vassar Rd., Poughkeepsie, NY 12603.

NATIONAL CURRENCY WANTED. PLEASE DESCRIBE & PRICE: Hillsboro, & Lewistown, IL; Louisville, KY 109; Iron River, MI, McCook, NE; Swedesboro, NJ; Gastonia, NC 4377; McAlester, OK; Luzerne, Quakertown, Shippensburg, Swissvale, Union City, Winkensburg, & Wrightsville, PA; Waco, TX 6572; Janesville, WI. Apelman's, Box 283, Covington, LA 70433..

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WANTED: I will pay \$100 for a CU, \$1 FRN with serial number 00088888. Any series. Any block. Jim Lund, 2805 County Rd. 82, Alexandria, MN 56308. (145)

WANTED. OBSOLETE BANKS (PA): Pottsville, Minersville, Tamaqua, Schuylkill Haven. Nationals (PA): Ashland 403, Pottsville 649 \$50 Ty I. (IL): Gillespie 12314 \$5L. Continental: 5-20-77 signed H. Christ, Jr. Robert Gillespie, P.O. Box 4281, Mt. Penn, PA 19606.



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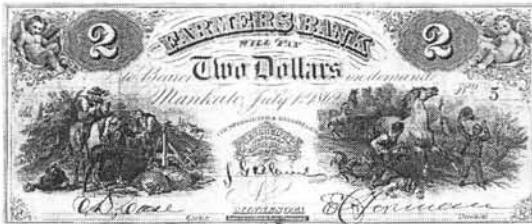
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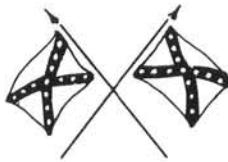
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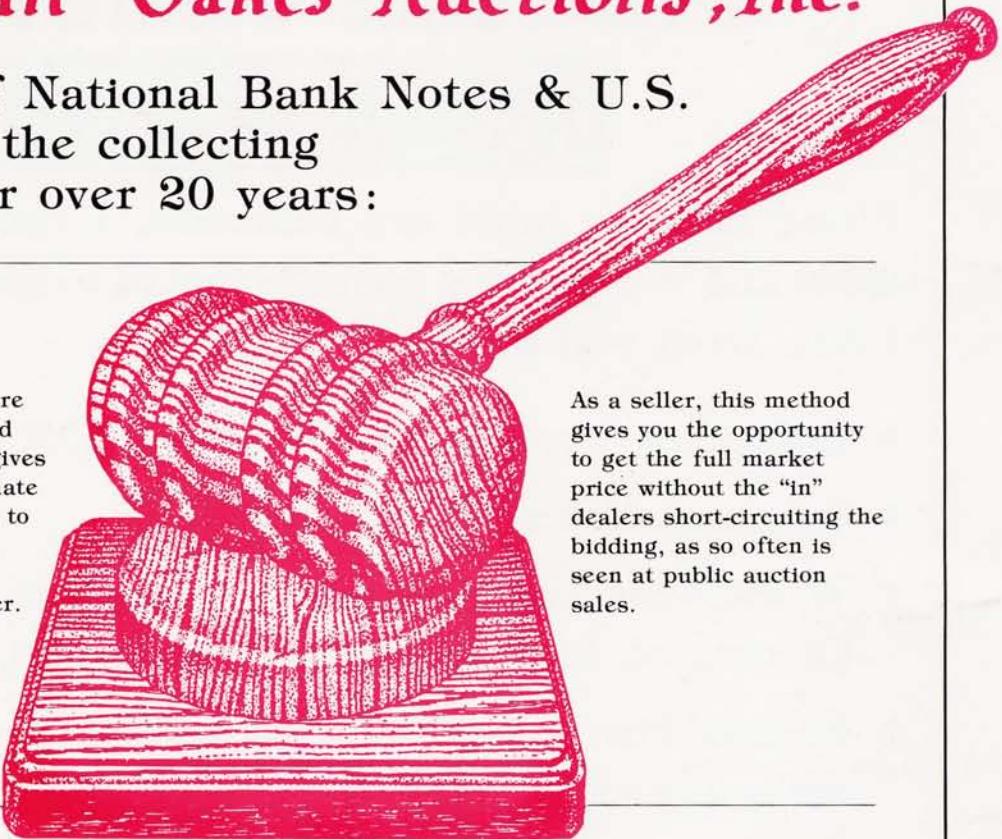
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